

October 2010

Draft Minutes of September 16, 2010 Board Meeting

Board members present

Jesus Hernandez
Charley Bingham
Ethelda Burke
Gene Colin
Roberta Greene
Bill Grinstein
Sam Shaddox

Welcome and Introductions

Chairman Jesus Hernandez opened the meeting at 9:00 a.m. and asked the Board and the audience to introduce themselves. Highline Community College President Jack Bermingham gave a short welcome address highlighting the diversity of HCC students and the school's partnerships with the community and area businesses.

Hernandez introduced new student member Sam Shaddox, who is currently enrolled at the University of Washington School of Law. Shaddox was a spring 2010 honors graduate of Washington State University, where he received a B.A. in political science. HECB student members serve one-year terms that expire on June 30.

Hernandez also announced the appointment of Don Bennett as permanent executive director of the HECB. Bennett previously served as HECB executive deputy director and moved to the position of interim executive director in September 2009, upon Ann Daley's retirement. Hernandez thanked Bennett for accepting the permanent position. He said the Board decided to make the offer in recognition of Bennett's able leadership during the interim and his experience and knowledge of Washington state government and higher education policy issues.

Washington Lottery Presentation

The 2010 Legislature passed a bill (SB 6409) sponsored by Sen. Jim Kastama of Puyallup, which allows Lottery dollars to be placed in an Opportunity Pathways Account to support the State Need Grant and other state financial aid programs. The Lottery's contribution to this account is expected to be at least \$100 million annually. Bill Hanson, director of Washington Lottery, urged everyone to watch the Lottery's new advertising commercials, which focus on the Lottery's support for financial aid.

A good thing about the Lottery is that none of the proceeds come from the general fund, Hanson said. They all come from sales, and sales are going to benefit education. “We hope the advertising campaign will strike a chord with the public that will lead to increased sales. We want them to know that even if they don’t win the Lottery, their money is going directly to support students.

The Opportunity Pathways Account also is being used to provide \$40 million for early learning programs this year.

Consent Agenda Items Approved

Action: **Charley Bingham** moved for approval of the **July meeting minutes** and three new degree programs:

- **CWU - BS in Clinical Physiology** (Resolution No. 10-21)
- **UW Tacoma - BA in Writing Studies** (Resolution No. 10-22)
- **WSU - Doctor of Nursing Practices** (Resolution No. 10-23)

Ethelda Burke seconded the motion, which was unanimously approved.

State Economic and Revenue Forecast

The Board and institutional representatives watched a live feed of the latest state economic and revenue forecast delivered by Arun Raha, executive director, at the meeting of the State Economic Revenue and Forecast Council.

Following the live feed, HECB staff provided an analysis of how state revenue could impact higher education budgets in the 2011-2013 biennium. A 10 percent share of the state budget for higher education would provide essentially a maintenance-level budget based on current funding. Consequently, a reduction of even 1 percent in higher education’s share of state revenue would represent a budget substantially below maintenance level.

Phyllis Wise, interim president of the University of Washington; Elson Floyd, president of Washington State University; Les Purce, president of The Evergreen State College; James Gaudino, president of Central Washington University; Charlie Earl, executive director of the State Board for Community and Technical Colleges; and Mike Reilly, executive director of the Council of Presidents, joined the Board at the table for an open discussion of the forecast, the budget situation, and possible impacts to higher education. They also discussed how to work more closely on a common set of messages designed to seek increased support for higher education in the next legislative session.

The institutions are required by law to submit budget proposals to the HECB, which then develops recommendations on prioritizing higher education operating funding requests. Those recommendations are forwarded to the Office of Financial Management (OFM), which uses them in developing the Governor’s state budget proposal for the coming biennium.

President Floyd said he hoped other college and university presidents would join him in advocating for a more stable funding floor and increased financial aid for students in the 2011-2013 biennium. Noting the devastating impact of three years of successive budget cuts, Floyd said institutions need freedom and flexibility to administer their budgets in a responsible manner. The institutions need a funding floor guarantee that will enable them to continue to deliver high quality academic programs and serve increasing numbers of students.

President Phyllis Wise stated that the University of Washington is exploring ways to increase revenue, increase efficiency, decrease costs, and how to “best invest now so that in the future, it can do a better job.”

Charlie Earl said it’s hard for the public institutions to keep everything straight because with the current economic reality, everyone is forced to deal with four budgets: the 6.3 percent across-the-board cut ordered by the Governor that day; the revised supplemental budget; the 2011-13 biennial budget; and further cuts on the maintenance level for 2011-13. The two-year system’s solution is a mix of state support, tuition, and efficiencies.

President Les Purce said the HECB’s role and responsibility for financial aid is a critical factor. “We need a floor for financial aid,” Purce said, “that would give us a greater level of predictability.” He said a 30 percent cut in financial aid equals \$1.8 million or about 235 FTEs.

President Jim Gaudino concurred with Dr. Purce’s point about predictability. “We are all re-tooling,” he said, “but to an uncertain point.” He said CWU is faced with many short-term decisions that have long-term implications. For example, they are redirecting endowment gifts to serve students.

Bill Grinstein suggested that it would be helpful to aggregate the impact of reduced financial aid in relation to budget decisions the institutions (including independents) will face.

Mike Reilly said a major part of the Governor’s Higher Education Funding Taskforce discussion is about the impact of funding cuts. Financial aid is a major component because lack of aid forces many students to go part time.

The presidents appealed to the HECB to serve as the champion for the state’s higher education system and help the institutions negotiate a consensus proposal before advancing it to the Legislature. Grinstein agreed that “we are all in this together.” He said the common message should include the consequences on the workforce, economy, and society of not reaching the state’s higher education’s goals.

The meeting adjourned at 12:00 p.m.